

<h1>Hilcorp Energy Company</h1> <h2>PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Date: 12/14/2023 API No. 30-045-21704 DHC No. DHC 5311 Lease No. FEE	
Well Name Suter					Well No. 3A	
Unit Letter O	Section 14	Township 32N	Range 11W	Footage 990' FSL & 1850' FEL	County, State San Juan, New Mexico	
Completion Date 12/11/2023		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
<p>JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method in agreement with local agencies. The base formation is the Mesaverde and the added formation to be commingled is the Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage-based allocation.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. FC 0%, MV 100% (No Change to Allocation from Approved DHC Application)</p> <p>After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>						
NAME		DATE		TITLE		PHONE
Amanda Walker		12/14/2023				
X 				Operations/Regulatory Tech – Sr.		346-237-2177
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com

Suter 3A Subtraction Allocation

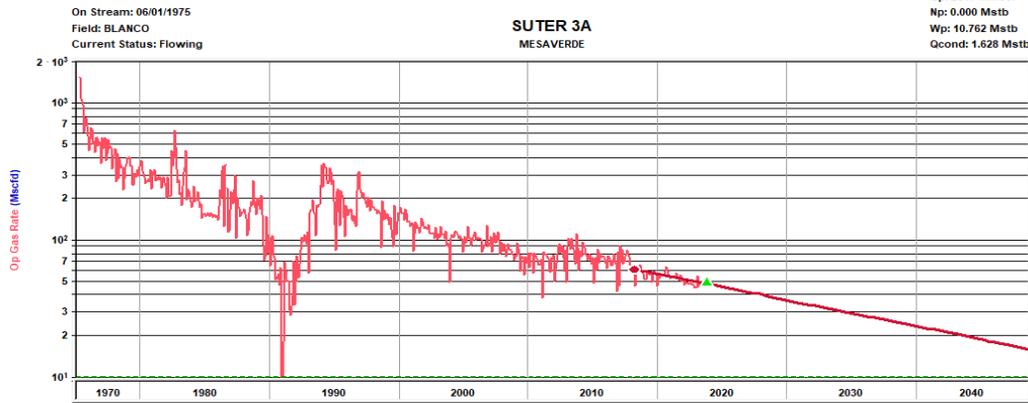
3004521704

Date	Mcf/d
Dec-23	47.66
Jan-24	47.48
Feb-24	47.31
Mar-24	47.14
Apr-24	46.96
May-24	46.79
Jun-24	46.62
Jul-24	46.45
Aug-24	46.28
Sep-24	46.11
Oct-24	45.94
Nov-24	45.77
Dec-24	45.6
Jan-25	45.43
Feb-25	45.27
Mar-25	45.11
Apr-25	44.95
May-25	44.78
Jun-25	44.62
Jul-25	44.46
Aug-25	44.29
Sep-25	44.13
Oct-25	43.97
Nov-25	43.81
Dec-25	43.65
Jan-26	43.48
Feb-26	43.33
Mar-26	43.18
Apr-26	43.02
May-26	42.86
Jun-26	42.7
Jul-26	42.55
Aug-26	42.39
Sep-26	42.24
Oct-26	42.08
Nov-26	41.93
Dec-26	41.77
Jan-27	41.62
Feb-27	41.47
Mar-27	41.32
Apr-27	41.17
May-27	41.02
Jun-27	40.87
Jul-27	40.72
Aug-27	40.57
Sep-27	40.42
Oct-27	40.27
Nov-27	40.13

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Mesaverde** and the added formation to be commingled is the **Fruitland Coal**. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formation.

After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



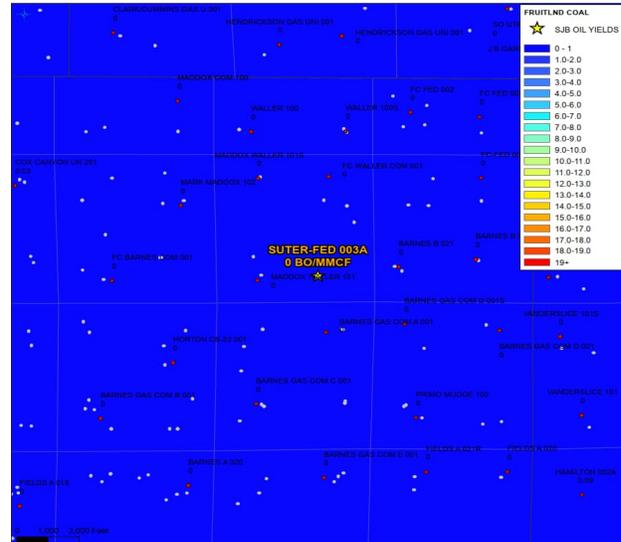
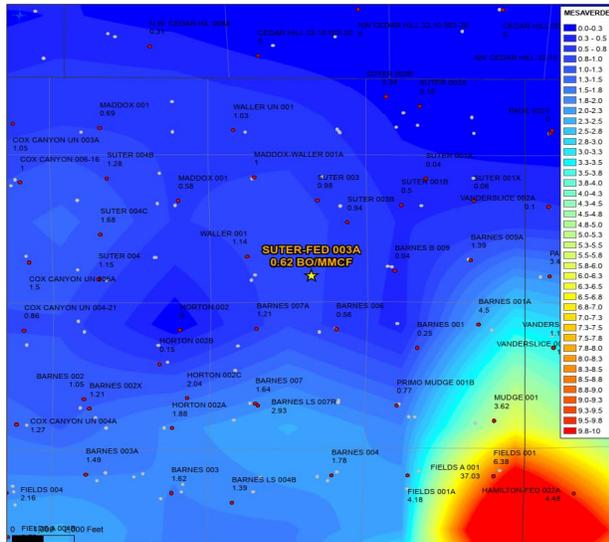
Analysis	Class	EUR	G	RR	Start Date	q	Δt	d, sec	b	d _{lim}	exp	q _e	End Date
Name	MMscf	MMscf	MMscf	MM/DD/YYYY	Mscf/d	year	%/year	%/year	Mscf/d	MM/DD/YYYY			
Analysis 1	2964	2647	317	10/01/2023	46.1	35.81	4.295	0.001	4.000	10.0	0.0	07/23/2059	

Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	0.62	317	100%
FRC	0	2100	0%



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 1625 N. French Dr., Hobbs, NM 88240
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 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 294559

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 294559
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	ACCEPTED FOR RECORD	12/15/2023
dmcclore	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	12/15/2023